

County of Los Angeles
DEPARTMENT OF PUBLIC SOCIAL SERVICES

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BRYCE YOKOMIZO
Director



May 24, 2005

TO: Each Supervisor

FROM: Bryce Yokomizo, Director

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

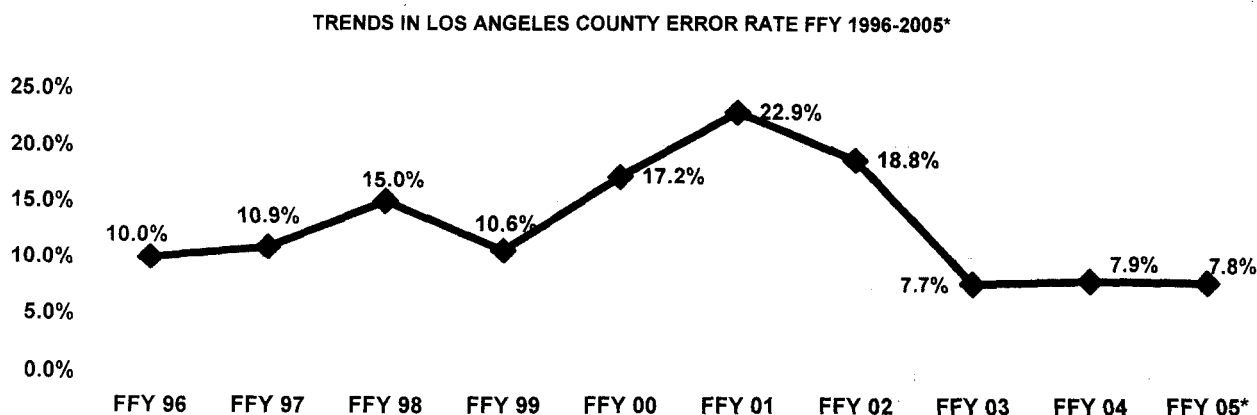
SUBJECT: **BOARD OF SUPERVISORS MOTION: L.A. COUNTY FOOD STAMP
ERROR RATE PROGRESS REPORT
(BOARD ORDER #38 – APRIL 24, 2001)**

This is to provide your Board with a quarterly progress report on the Los Angeles County Food Stamp error rate for October 2004 through January 2005, the first four months of Federal Fiscal Year (FFY) 2005. Representatives from the Chief Administrative Office (CAO) have reviewed and concur with the information in this report.

ERROR RATE

My Department is sustaining the momentum that has resulted in a low Food Stamp error rate. As indicated in the chart below, our cumulative Quality Control error rate for October 2004 through January 2005, the first four months of FFY 2005, is 7.8%.

The Department continues to make Food Stamp payment accuracy a top priority to ensure our error rate remains below 8%.



Sources: State Quality Control System Reports.

* October 2004 through January 2005

"To Enrich Lives Through Effective And Caring Service"

DPSS maintains the ongoing, vigilant monitoring of internal payment accuracy audits to measure performance in each district office. District offices are ranked based on these audits (Attachment I). District managers are held accountable for their error rate performance, and these monitoring efforts contribute to ensuring payment accuracy.

NEW INITIATIVES UNDERWAY

My Department is pursuing new corrective action measures to ensure further improvement in the Food Stamp error rate, including the following:

- A special focused review of 100% of all Food Stamp cases with Earned Income.
- A review of Food Stamp cases with 18-21 year olds in the household.
- A review of Food Stamp cases with Permanent Residents with questionable legal status.
- Targeted training on Earned Income for Eligibility Supervisors.
- Special alerts to identify cases with potential QC errors.
- A QC *Road Show* to reinforce awareness to staff, at each of the 29 district offices with Food Stamp responsibilities, of the importance of maintaining a low Food Stamp error rate.
- A Participant Payday Calendar to be used as a reminder of pay dates.

FOOD STAMP ERROR RATE LIABILITY SETTLEMENT AGREEMENT

The United States Department of Agriculture, Food and Nutrition Services and the California Department of Social Services have settled California's Food Stamp sanctions for FFY 2000 through 2002 (Attachment II). The total sanction amount for FFY 2000, FFY 2001 and FFY 2002 was \$185.4 million. Of that amount, \$122.9 million was waived and \$62.5 million was put on hold and may be forgiven depending on California maintaining an error rate of less than 7.4 percent from FFY 2003 through FFY 2007. The State did not meet the target for FFY 2003 and must reinvest \$1 million in error reduction projects.

The Settlement Agreement requires the State to expend \$4 million in each FFY from 2003 through 2007 in Maintenance of Effort (MOE) activities. The MOE activities must be costs that the State/County has expended or plans to spend on Food Stamp program improvements. My Department identified 15 activities totaling \$23.5 million (Attachment III).

I will continue to keep your Board advised with quarterly reports on the Food Stamp error rate.

BY:ps

Attachments

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors
Auditor-Controller